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FROM THE AMBASSADOR
DEPT FOR AF/E AND A/S FRAZER

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SUBJECT: Prime Minister's Visit Advances U.S. Policy

Ref: (A) Nairobi 1659, (B) State 66179

Summary

¶1. (U) Prime Minister Odinga's June 16-19 visit to the U.S. was a huge success and advanced U.S. policy to support the coalition government, to bolster the PM's role to supervise and coordinate the functions of government, to press for institutional reforms, and to highlight the U.S.-Kenyan partnership. This message reports on the visit and identifies follow-up items. End summary.

Odinga Emphasizes Coalition Unity

¶2. (U) During his June 16-19 visit to Washington, Prime Minister Raila Odinga conveyed a consistent message of the commitment he and President Kibaki share to make their coalition government work and to achieve results. He said that they are coordinating closely, have established cabinet sub-committees to streamline government work, have harmonized policy agendas, and have begun to move forward on institutional reform. The fact that Odinga traveled with Minister of Transport Mwakwere and Minister of Defense Haji, both from Kibaki's Party of National Unity (PNU), highlighted Kenyan government unity. Throughout the visit Mwakwere and Haji made public and private statements supportive of the coalition government and Odinga's role as Prime Minister. Odinga heard a consistent message from U.S. officials, Members of Congress, and the private sector on the need for the coalition government to deliver on promises to carry out institutional reforms (constitutional, electoral, and land). The very warm reception Odinga received in all quarters highlighted the importance Americans attach to democratic progress in Kenya.

¶3. (U) U.S. objectives for the visit were: to emphasize U.S. support for the coalition government, to bolster the role of the Prime Minister to supervise and coordinate the functions of government, to emphasize the importance of rapid progress on institutional reform, to highlight the U.S.-Kenyan partnership, and to achieve specific deliverables to support these objectives. These included signing of a Safe Skies agreement, announcement of the resumption of the Peace Corps program, and announcement of the Administration's Kenya supplemental request sent to Congress.

¶4. (U) Meetings with Secretary Rice (ref B), National Security Adviser Hadley, USAID Administrator Fore, and Assistant Secretary Frazer were the centerpiece of the visit, and emphasized the U.S. commitment to work with the coalition government to achieve results on institutional reform. As in other meetings, Odinga delivered an unequivocal message that he and President Kibaki share a commitment to make the coalition government work and to achieve results on institutional reform. In addition to reviewing the full range of bilateral issues, A/S Frazer emphasized the need for the Kenyan government to do more in the search for Rwandan war criminal Kabuga.

FOLLOW-UP: Odinga agreed to energize Kenyan government efforts on Kabuga, and we are pressing for action.

Zimbabwe

15. (U) During his meetings with the Secretary, NSA Hadley, and A/S Frazer, and in public comments, Odinga emphasized his view that the upcoming elections were a sham, and that African countries must mount effective efforts to restore democracy to Zimbabwe. A/S Frazer urged Odinga to help mobilize the AU's Peace and Security Council. During discussions with Members of Congress, in remarks at the Center for Strategic and International Studies (CSIS), during a CNN interview, and in other media appearances, Odinga staked out an unequivocal position on Zimbabwe (see ref A for further reporting on the Kenyan government's position).

FOLLOW-UP: We are urging the Kenyan government to exert stronger leadership within the AU on Zimbabwe.

MCC

16. (U) A meeting with Millennium Challenge Corporation (MCC) Chief Executive Officer Danilovich served to emphasize the need for the coalition government to take substantial additional steps to combat corruption in order to qualify for a full compact program. Odinga expressed strong interest in accelerating efforts to achieve a compact, but MCC officials left him in no doubt about what the Kenyan government needs to do in order to qualify pursuant to the MCC's indicators. After stating that "we went to the edge of the precipice and did not like what we saw," Odinga called the coalition government "a promising experiment." Odinga stressed his determination to ensure greater accountability and anti-corruption efforts, including through reform of the judiciary. Odinga said that he wants to put an adviser on governance into the PM's office in order to assist in these efforts.

FOLLOW-UP: Without making any commitment, MCC officials indicated that they would consider support for this.

USAID

17. (U) Odinga had a constructive meeting with USAID Administrator Fore, who indicated that the U.S. wants to be as helpful as possible in supporting the coalition government and its efforts on institutional reform. As he had in other meetings, Odinga said that the coalition government is making progress and "beginning to work very well." Odinga identified as a particular priority facilitating the return of IDPs to their homes. Fore informed Odinga about the Administration's request to Congress for supplemental funding for Kenya.

FOLLOW-UP: As he did with MCC, Odinga requested support for a governance adviser, and for an adviser on agriculture as well. Without making any commitment, Fore agreed to look into this.

OPIC and EXIM

18. (U) During meetings at OPIC and EXIM Odinga emphasized his desire to attract more American investment to Kenya. OPIC officials noted that Kenya is on the list of countries that can benefit from 3 billion dollars in private equity funds. OPIC indicated that it wants to focus on promotion of micro-credit and low/medium cost housing. Kenya's Equity Bank already benefits from one of the private equity funds, and Kenya's Housing Finance Corporation is interested. EXIM Bank officials indicated that EXIM currently has 460 million dollars in exposure in Kenya. Odinga said that, in order to attract American investment, he wants to eliminate obstacles: reducing Kenyan government bureaucratic red tape, fighting corruption, countering crime, passing anti-money laundering legislation, reforming the judiciary, and improving the country's

infrastructure. He also wants the Kenyan government to set up a one-stop shop for investors.

FOLLOW-UP: EXIM officials indicated that Kenyan ratification of the Cape Town Treaty would be helpful in lowering financing fees, and the Embassy will press for this.

Department of Transportation

¶9. (U) At the Department of Transportation, Odinga and the Secretary of Transportation signed an Open Skies agreement. Odinga emphasized his commitment to taking the steps necessary to secure category one status for Kenya's international airport and to sign a Safe Skies agreement in order to facilitate direct flights between the U.S. and Kenya.

FOLLOW-UP: We are intensifying work with the Department of Transportation and the Kenyan government to address security and safety issues.

Peace Corps

¶10. (U) At the Peace Corps, Director Tschetter highlighted the return of the Peace Corps to Kenya. Odinga stressed the importance he attaches to the U.S.-Kenyan partnership. The Director emphasized the need to reach agreement on an updated bilateral agreement on the Peace Corps.

FOLLOW-UP: The Director indicated interest in coming to Kenya to sign a revised bilateral agreement once it is completed. We are working with the government to finalize the agreement.

World Bank and IMF

¶11. (U) During meetings at the World Bank and IMF, officials expressed a positive view of the coalition government and indicating interest in expanding engagement.

Congress

¶12. (U) Odinga met extensively with Members of Congress. These meetings included: members of the House Appropriations Sub-committee, Congressman Chris Smith, Senate Senator Isakson from the Senate Subcommittee on African Affairs, Congressman Payne, Senate Subcommittee on African Affairs Chairman Feingold, Senator Bill Nelson, and Members of the International Conservation Caucus. Odinga made cogent presentations on the coalition government, noting the commitment he and President Kibaki share for 50/50 power-sharing and to institutional reform. He noted that he and the President are meeting weekly to coordinate efforts, and that five cabinet sub-committees have been established to ensure that the large 40-member cabinet works effectively. He pointed out that the PNU and his Orange Democratic Movement (ODM) have already harmonized positions in order to set new goals through the government's Vision 2030 document. Odinga appealed for support for the supplemental request sent to Congress for Kenya and appealed for additional assistance, including through expediting consideration for Kenya for an MCC compact program. Members of Congress expressed support for the coalition government, emphasized the need for the coalition to achieve results on institutional reform, and raised a wide array of issues, including the need to do more to fight corruption and to address poverty and inequitable distribution of wealth. The Members of Congress also stressed the need to intensify reconciliation efforts in order to facilitate the return of internally displaced persons. Mwakwere, who was one of the PNU's hardliners during the crisis, admitted that "we were living in a fool's paradise ignoring fundamental problems, but we realized we had to work together to save the country. Even we are surprised by how well we are emerging from the crisis," Mwakwere said. "Kenya is on the right track now." During his meetings on the Hill, Odinga strongly and repeatedly

praised the U.S. for the decisive role it played in helping Kenya resolve its crisis. Members of Congress were very positive regarding the role the U.S. played.

Odinga's Policy Addresses

¶13. (U) In addition to press interviews, Odinga made two major public statements during an address to CSIS and at a lunch sponsored by Coca Cola. Septel reports text of Odinga's speech at CSIS. During these public remarks Odinga strongly praised the decisive role the U.S. played to resolve the Kenyan crisis, and stressed the commitment he and President Kibaki share to make the coalition government work and to achieve results. The Prime Minister said Kenya's stability before the crisis masked smoldering grievances, particularly with respect to land problems and inequitable distribution of wealth. These manifested themselves through inter-ethnic violence, much of it carried out by unemployed youth. He emphasized the need to revise the constitution to limit the powers of the presidency and to provide for effective checks and balances. He also highlighted the importance of the coalition government acting in a transparent and accountable way in order to build credibility with the Kenyan people. "We must work to re-establish the social fabric by dealing with longstanding grievances," Odinga stated. "Kibaki and I are determined to lead a partnership," Odinga said. Odinga underscored his desire to further expand the U.S.-Kenyan partnership, particularly by attracting more U.S. investment. In that regard, Odinga was guest of honor at a well-attended dinner hosted by the Corporate Council on Africa (CCA). The CCA indicated that Kenya is one of the four countries it is targeting in Africa for expanded engagement.

Meeting with Kenyan Diaspora

¶14. (U) During his visit Odinga met with several hundred representatives of the Kenyan diaspora at an event facilitated by George Washington University. At the request of the diaspora representatives, the Ambassador made brief remarks and accepted a vote of thanks for the role the U.S. played to resolve the crisis. Odinga talked in moving terms about the need to foster "unity in diversity." He reassured the diaspora that he and Kibaki are working together closely and well, and that the government is moving ahead on the institutional reform agenda. In a theme that he echoed elsewhere, Odinga appealed to the diaspora to become more engaged in helping Kenya. He indicated that he is establishing an office within the Prime Minister's office to engage with the diaspora.

Positive Reaction to the Visit

¶15. (U) Reaction in Kenya both during and after Odinga's visit was extremely positive. The visit was covered extensively in the Kenya media, which emphasized the tangible results from the visit. Reaction focused on U.S. engagement to support the coalition government and to strengthen the Prime Minister's role to coordinate and supervise the functions of government. The fact that the visit to the U.S. was Odinga's first official visit outside of Kenya as Prime Minister highlighted the coalition government's recognition of the unique and decisive role the U.S. played to help resolve the crisis. Importantly, when the Ambassador informed President Kibaki in May about the planned Odinga visit, the President without hesitation replied "good, that's useful and the right thing to do." The coalition government and the Kenyan people continue to look to the U.S. as the principal player to keep post-crisis Kenya on track.

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